



# State of Utah

DEPARTMENT OF COMMERCE  
Committee of Consumer Services

## Minutes of the Meeting of the Committee of Consumer Services Held in Room 4A of the Heber M Wells Building, Salt Lake City, on 29 July 2003

Dee Jay Hammon called the meeting to order at 9:33am in Room 4A.

Members of the Committee in Attendance:

Franz Amussen	Kent Bateman	Kelly Casaday
Dee Jay Hammon	Betsy Wolf	

Staff in Attendance:

Roger Ball	Kelly Francone	Dan Gimble
Nancy Kelly	Leah Lindstrom	Jenny Nones
Eric Orton	Oliwia Smith	Reed Warnick

Members of the Public in Attendance:

Dave Anderton	Klare Bachman	Glenn Bluemel
Marlene Cook	Stan Eckersley	Francine Giani
Ingo Henningsen	Gary Robinson	Glenda Stewart

### 1 Administrative Matters

#### 1.1 Welcome and Apologies for Absence

Dee Jay Hammon welcomed all those attending the meeting.

#### 1.2 Minutes of Previous Meetings

Betsy Wolf proposed that the minutes of the meeting of 20 May 2003 be approved. Franz Amussen seconded the proposal, which passed unanimously.

#### 1.3 Dates and Locations of Next Meetings

The next meeting of the Committee will be held on Tuesday, 9 September 2003, commencing at 9:30am until 2:30pm, in Room 4A of the Heber M Wells Building. The following meeting is scheduled for Tuesday, 21 October, at the same time and in the same location.

#### 1.4 Introduction of New Executive Director of Commerce

Dee Jay Hammon introduced Klare Bachman as the new Executive Director of the Department of Commerce. Klare then gave an overview of the Department and its direction going forward.

## 1.5 ASPA

Dee Jay displayed the Boards and Commissions Award that the Committee received from the Utah Chapter of the American Society for Public Administration at a luncheon on Friday, 6 June.

## 1.6 Budget

Dee Jay welcomed Stan Eckersley, Fiscal Analyst with the State Legislature; Stan helps to explain the Committee's budget requests to the Appropriations Sub-Committee.

## 2 Telecommunications

### 2.1 Division of Consumer Protection Settlement with Qwest

Francine Giani, Director, gave a synopsis of the Division of Consumer Protection's suit against Qwest, which had resulted in a \$375,000 settlement.

### 2.2 The Universal Service Fund

Oliwia Smith explained the concept of a Universal Service Fund.

### 2.3 Unitah Basin Extended Area Service

Oliwia said that the Commission had denied reconsideration in a 25 July Order, and scheduled a technical conference for Thursday, 21 August.

### 2.4 EAS Rule Amendment

Reed Warnick stated that the Committee had submitted comments on the proposed amendment on 16 June 2003. No other party commented on the rule amendment, and it became effective on 27 June 2003 without formal response by the Commission.

### 2.5 Qwest's Corporate Structure

Oliwia Smith outlined Qwest's Corporate Structure. Qwest Communications International Inc (QCII) is the ultimate holding company, with a total of 49 subsidiaries.

### 2.6 Pricing Flexibility 2003

Oliwia summarized recent developments in the case.

### 2.7 Consideration of Contract Amendment

Kent Bateman proposed that the Committee of Consumer Services extend the termination date of the Dex and Pricing Flexibility contract with UtiliTech Inc and William Dunkel and Associates from 30 June to 30 September 2003. Kelly Casaday seconded the proposal and it passed unanimously.

## 3 Electricity

### 3.1 US Magnesium and Desert Power Visit

Dee Jay Hammon gave an informative overview of the US Magnesium and Desert Power tour, and expressed appreciation to the companies for making it possible.

### 3.2 Further Consideration of Several New Contracts in the Rate Case

Kent Bateman proposed that the Committee enter into two contracts, each with a termination date of 30 September 2004, with:

Diversified Utility Consultants Inc for the amount of \$14,524 to examine cost of capital issues; and

Arndt & Associates for the amount of \$32,525 to examine affiliate transactions and strategic transition plan issues.

Kelly Casaday seconded the proposal and it passed unanimously.

### 3.3 Depreciation

Dan Gimble updated the Committee on PacifiCorp's depreciation settlement.

### 3.4 Integrated Resource Plan

Nancy Kelly gave an update on the Integrated Resource Plan and indicated that the Commission issued an Order on 30 May acknowledging PacifiCorp's IRP 2003 with conditions.

### 3.5 Multi-State Process

Nancy outlined the status of the Multi-State Process effort.

## 4 Gas

### 4.1 Gas Prices

Eric Orton gave an overview of the large fluctuations in the market price of gas.

### 4.2 Questar's June 2003 Pass-Through Filing

Eric updated the Committee on the current status of Questar's June 2003 Pass-Through Filing.

## 5 2003 Legislative Interim

Roger Ball gave an update on the July Legislative Interim.

## 6 Other Business

Roger distributed new briefing books to Committee members.

Accommodations for Committee staff were discussed.

The Governor had appointed Ric Campbell as Chairman of the Public Service Commission. On 18 June, the Senate had confirmed the appointments of Ted Boyer as a member of the Commission, and Klare Bachman as Executive Director of the Department of Commerce.

## 7 Closed Meeting

Franz Amussen proposed that the Committee go into closed session to discuss pending or reasonably imminent litigation issues. Kent Bateman seconded the proposal and it passed unanimously.

Franz Amussen proposed that the Committee return to open session. Kent Bateman seconded the proposal and it was unanimously passed.

## 8 Motions on Matters Discussed in Closed Meeting

The Committee took no action.

## 9 The Committee: Its Function and its Future

Betsy Wolf proposed that the meeting adjourn. Kent Bateman seconded the proposal and the meeting ended at 1:28pm.